

Issue

The FBI Headquarters Consolidation Exchange Project has a combined \$1.405 billion of requested FY 2017 appropriations unaccounted for in the current Continuing Resolution.

Executive Branch messaging to Congress is that without full funding the project cannot proceed.

If full funding is not provided ...

- will GSA entertain changing its position and moving forward without full funding?
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- If Yes, what does moving forward look like (award contract and/or purchase land and/or complete design), and how much partial funding is required?
- If No, what are the alternatives?

Briefing Objectives

- Awareness and understanding of project decisions and timeframes upon FY17 funding clarity
- Awareness and understanding of request to engage land owners for purchase option negotiations



## FEDERAL BUREAU OF INVESTIGATION HEADQUARTERS CONSOLIDATION PROJECT FACT SHEET AND RECOMMENDATION

### **Recommendation**

The Public Buildings Service (PBS) seeks full funding for the FBI Headquarters Consolidation Project. Requested Fiscal Year (FY) 2017 funding includes \$759 million for GSA and \$646 million for Department of Justice – Federal Bureau of Investigation (FBI). GSA and FBI received a combined \$255 million in project funds in FY 2016. PBS also recommends not proceeding with the preferred Site and Offer Identification (March 10th Milestone) until Congress approves both the GSA and FBI FY 2017 appropriation requests.

### **Timeline**

December 19, 2014 – GSA issues RFP-Phase I for evaluation of interested offeror team qualifications. This phase of the project seeks to verify that each offeror has the technical and financial capabilities to develop, design, construct and deliver the new FBI facility. The Government vets interested parties and selects a short-list of developer teams to compete in Phase II.

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March 10, 2017 – GSA has publicly identified March 10th as the date for the Government's announcement of the tentative selected Site and Offeror.

April 28, 2017 – GSA has internally identified April 28 as the award date for this contract.

### **Issue**

The FBI Headquarters Consolidation Project has a combined \$1.405 billion of requested FY 2017 appropriations. Existing Executive Branch messaging to Congress has been that without full funding the project cannot proceed.

The March 10th Site and Offeror Identification milestone is an important date for the project in that it will identify which location and by which offeror the FBI headquarters will be built. Not only will it identify the selected site, it will identify the unselected sites. With both Maryland and Virginia Congressional delegations aggressively pursuing this opportunity, the Site and Offeror announcement is a pivotal project milestone.



FEDERAL BUREAU OF INVESTIGATION HEADQUARTERS CONSOLIDATION PROJECT  
FACT SHEET AND RECOMMENDATION

Making such a significant announcement, as the selection of the preferred Site and Offeror, without full funding secured, is not in the best interest of the project. Doing so, will subject the project to an extended period of scrutiny and possible protest, during a time when the disposition of the project funding is uncertain and able to be influenced.

Delay of the preferred Site and Offeror announcement will impact the schedule. The ultimate award date (currently April 28, 2017) is directly dependent upon the identification milestone due to the linkage of the procurement and the regulatory time frames of the National Environmental Policy Act.

The award will be delayed at a day-for-day rate until the preferred Site and Offeror are identified. In addition, GSA will not be able to begin the award process until the FY 2017 funding question is resolved.

**Subject:** FBI Documents  
**Date:** Tue, 25 Apr 2017 10:10:11 -0400  
**From:** Eitan Naftali - WPBB <eitan.naftali@gsa.gov>  
**To:** Timothy Horne - 8P <tim.horne@gsa.gov>  
**Cc:** Joanna Rosato - 3P <joanna.rosato@gsa.gov>  
**Message-ID:** <CABDY\_qRyOUXZT=ufFLqCd+wXwcQt5kOJT0JKruSq07fo+Ki=5A@mail.gmail.com>  
**MD5:** 11a79f077da22b958f6040b6cf092ed7  
**Attachments:** Scanned from a Xerox Multifunction Printer.pdf

Good morning Tim,

Attached please find the FBI documents.

Thank you,

Eitan S. Naftali  
Acting Chief of Staff, PBS  
U.S. General Services Administration  
(b)(6)

----- Forwarded message -----

From: <[ICOH2P-6231-Xer7855@gsa.gov](mailto:ICOH2P-6231-Xer7855@gsa.gov)>  
Date: Tue, Apr 25, 2017 at 9:38 AM  
Subject: Scanned from a Xerox Multifunction Printer  
To: "[eitan.naftali@gsa.gov](mailto:eitan.naftali@gsa.gov)" <[eitan.naftali@gsa.gov](mailto:eitan.naftali@gsa.gov)>

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## FBI Headquarters Consolidation Procurement Hill Briefing

### **Talking Points**

- Thank you for coming. GSA and FBI endeavor to keep you up to date on the progress and procurement process.
- GSA and FBI reaffirm that the need for a Headquarters facility that meets the FBI mission needs, consolidates personnel dispersed across the National Capital Region, and addresses security requirements has not diminished.
- As you know, GSA and FBI are engaged in a procurement seeking an Exchange Partner to develop, design, construct, deliver, operate and maintain a consolidated headquarters facility of up to 2.1 million rentable square feet for the FBI in the National Capital Region. In exchange the developer would receive approximately \$1.4 billion, and the J. Edgar Hoover (JEH) building and site.
- The combined Executive branch (GSA, FBI, OMB) position with Congress has always been full funding was crucial for the Government to make an award.
- The FY 2017 budget request included \$1.4 billion for a new FBI Headquarters consolidation; however the funds appropriated leave an \$882 million gap. The FY 2017 appropriation (provided in May 2017) only included \$523 million (\$323 million for FBI and \$200 million for GSA), bringing the current appropriated amount for this project to \$703 million.
- In addition, Developers valuing JEH in an exchange that will occur in 7+ years in the future had to consider additional risk factors over a longer than normal period of time compared to a traditional asset disposal. Moreover, uncertainty regarding future project funding creates additional downward pressure on JEH value while, at the same time, creating upward pressure on construction cost.
- Based on a review of current project status, GSA and FBI believe it necessary to cancel the current procurement. Moving forward with this procurement absent full funding puts the Government at risk for cost escalations and likely further devaluation of JEH.
- 
- GSA and FBI will work to develop an alternative procurement approach that will eliminate the risks associated with the current procurement structure, reduce overall project costs, and position the Government to maximize JEH disposal value when that facility is ready to be vacated.
- Hill notification will occur the week of July 10. This requires GSA to notify the bidders that the procurement has been cancelled prior to or concurrently with Hill notifications.

**Subject:** FBI Docs Discussed at 12:30  
**Date:** Wed, 21 Jun 2017 13:42:01 -0400  
**From:** Aaron Hassinger - WPIA <aaron.hassinger@gsa.gov>  
**To:** Michael Gelber - PD <michael.gelber@gsa.gov>, Shapour Ebadi <shapour.ebadi@gsa.gov>, Mary Gibert - AD <mary.gibert@gsa.gov>  
**Message-ID:** <CAFWj2MoAaUiXmqSiojoHxzCZ1=dm10imWTvda=czHPm45E5\_Yg@mail.gmail.com>  
**MD5:** d0769bf70782dcf77d0403eb7c04a81f  
**Attachments:** Decision Backup 6-20-17.docx (b)(5)

All,

See electronic versions of both docs.

Thanks,

-Aaron

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Aaron D. Hassinger, LEED AP  
Project Executive  
Office of Design and Construction  
Public Buildings Service  
National Capital Region  
U.S. General Services Administration  
301 7th Street, SW, Room 7512  
Washington, DC 20407  
[aaron.hassinger@gsa.gov](mailto:aaron.hassinger@gsa.gov)  
(b)(6)  
202-208-0382 (office)

**Subject:** Fwd: FBI HQ project check-in call  
**Date:** Fri, 7 Jul 2017 17:44:38 -0400  
**From:** Tony Costa - AG <tony.costa@gsa.gov>  
**To:** Timothy Horne <tim.horne@gsa.gov>  
**Message-ID:** <CAFBmGyfzR-4gy9VLh6fH00uPZ5KyTopBReo1LRgJNYsHwmyUqQ@mail.gmail.com>  
**MD5:** f8ea01a675443056ffbd8b5910204ff2  
**Attachments:** (b)(5) FBI New HQ Termination Hill  
(b)(5) TPS\_070717\_FINAL.docx

Hey. See way below. Copies of FBI points.

Tony Costa  
Acting Deputy Administrator  
U.S. General Services Administration  
202.501.0800 - main  
(b)(6)

----- Forwarded message -----

**From:** Donatelli, Angela M. EOP/OMB <Angela\_M\_Donatelli@omb.eop.gov>  
**Date:** Fri, Jul 7, 2017 at 4:38 PM  
**Subject:** FBI HQ project check-in call  
**To:** "Abrams, Andrew D. EOP/OMB" <Andrew\_Abrams@omb.eop.gov>, "Connolly, David C. EOP/OMB" <David\_C\_Connolly@omb.eop.gov>, "Newman, Kimberly A. EOP/OMB" <Kimberly\_A\_Newman@omb.eop.gov>, "Boden, James EOP/OMB" <James\_Boden@omb.eop.gov>, "richard.haley@ic.fbi.gov" <richard.haley@ic.fbi.gov>, "Grant, Douglas S. (FD) (FBI)" <Douglas.Grant@ic.fbi.gov>, "Goodwin, Maya N. (FD) (FBI)" <Maya.Goodwin@ic.fbi.gov>, "Rhodes, William A. (FD) (FBI)" <William.Rhodes@ic.fbi.gov>, "Anthony Costa (C)" <tony.costa@gsa.gov>, Michael Gelber - PD <michael.gelber@gsa.gov>, "Jack St. John - A" <jack.stjohn@gsa.gov>, Mary Gibert - WP <mary.gibert@gsa.gov>  
**Cc:** "Johnson, Melanie M. (FD) (CON)" <Melanie.Johnson@ic.fbi.gov>, Latonia Williams - H1AC-C <latonia.williams@gsa.gov>, "Marten, Lexi N. EOP/OMB" <Alexandra.N.Marten@omb.eop.gov>, "Kraninger, Kathleen L. EOP/OMB" <Kathleen.L.Kraninger@omb.eop.gov>

In advance of Tuesday's roll out, we will hold a final check-in call on Monday afternoon.

Attached are the Final Talking Points and Q&A documents (b)(5) and an updated roll out schedule with updated information in red.

Please send us the draft Congressional staff email and the employee emails as well as the draft press release as soon as possible (b)(5).

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**To:** Timothy Horne - 8P <tim.horne@gsa.gov>  
**Cc:** Joanna Rosato - 3P <joanna.rosato@gsa.gov>  
**Message-ID:** <CABDY\_qRyOUXZT=ufFLqCd+wXwcQt5kOJT0JKruSq07fo+Ki=5A@mail.gmail.com>  
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**Message-ID:** <CAFWj2MoAaUiXmqSiojoHxzCZ1=dm10imWTvda=czHPm45E5\_Yg@mail.gmail.com>  
**MD5:** d0769bf70782dcf77d0403eb7c04a81f  
**Attachments:** Decision Backup 6-20-17.docx (b)(5)

All,

See electronic versions of both docs.

Thanks,

-Aaron

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Aaron D. Hassinger, LEED AP  
Project Executive  
Office of Design and Construction  
Public Buildings Service  
National Capital Region  
U.S. General Services Administration  
301 7th Street, SW, Room 7512  
Washington, DC 20407  
[aaron.hassinger@gsa.gov](mailto:aaron.hassinger@gsa.gov)  
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202-208-0382 (office)

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**Message-ID:** <CAFBmGyfzR-4gy9VLh6fH00uPZ5KyTopBReo1LRgJNYsHwmyUqQ@mail.gmail.com>  
**MD5:** f8ea01a675443056ffbd8b5910204ff2  
**Attachments:** (b)(5); FBI New HQ Termination Hill  
(b)(5); TPS\_070717 FINAL.docx

Hey. See way below. Copies of FBI points.

Tony Costa  
Acting Deputy Administrator  
U.S. General Services Administration  
202.501.0800 - main  
(b)(6)

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**From:** Donatelli, Angela M. EOP/OMB <[Angela\\_M\\_Donatelli@omb.eop.gov](mailto:Angela_M_Donatelli@omb.eop.gov)>  
**Date:** Fri, Jul 7, 2017 at 4:38 PM  
**Subject:** FBI HQ project check-in call  
**To:** "Abrams, Andrew D. EOP/OMB" <[Andrew\\_Abrams@omb.eop.gov](mailto:Andrew_Abrams@omb.eop.gov)>, "Connolly, David C. EOP/OMB" <[David\\_C\\_Connolly@omb.eop.gov](mailto:David_C_Connolly@omb.eop.gov)>, "Newman, Kimberly A. EOP/OMB" <[Kimberly\\_A\\_Newman@omb.eop.gov](mailto:Kimberly_A_Newman@omb.eop.gov)>, "Boden, James EOP/OMB" <[James\\_Boden@omb.eop.gov](mailto:James_Boden@omb.eop.gov)>, "richard.haley@ic.fbi.gov" <[richard.haley@ic.fbi.gov](mailto:richard.haley@ic.fbi.gov)>, "Grant, Douglas S. (FD) (FBI)" <[Douglas.Grant@ic.fbi.gov](mailto:Douglas.Grant@ic.fbi.gov)>, "Goodwin, Maya N. (FD) (FBI)" <[Maya.Goodwin@ic.fbi.gov](mailto:Maya.Goodwin@ic.fbi.gov)>, "Rhodes, William A. (FD) (FBI)" <[William.Rhodes@ic.fbi.gov](mailto:William.Rhodes@ic.fbi.gov)>, "Anthony Costa (C)" <[tony.costa@gsa.gov](mailto:tony.costa@gsa.gov)>, Michael Gelber - PD <[michael.gelber@gsa.gov](mailto:michael.gelber@gsa.gov)>, "Jack St. John - A" <[jack.stjohn@gsa.gov](mailto:jack.stjohn@gsa.gov)>, Mary Gibert - WP <[mary.gibert@gsa.gov](mailto:mary.gibert@gsa.gov)>  
**Cc:** "Johnson, Melanie M. (FD) (CON)" <[Melanie.Johnson@ic.fbi.gov](mailto:Melanie.Johnson@ic.fbi.gov)>, Latonia Williams - H1AC-C <[latonia.williams@gsa.gov](mailto:latonia.williams@gsa.gov)>, "Marten, Lexi N. EOP/OMB" <[Alexandra.N.Marten@omb.eop.gov](mailto:Alexandra.N.Marten@omb.eop.gov)>, "Kraninger, Kathleen L. EOP/OMB" <[Kathleen.L.Kraninger@omb.eop.gov](mailto:Kathleen.L.Kraninger@omb.eop.gov)>

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Please send us the draft Congressional staff email and the employee emails as well as the draft press release as soon as possible, we will turn around any edits quickly.